



Our Ref: 242402992

26 March 2014

Mr Paul Little
Principal
City of Glasgow College
300 Cathedral Street
Glasgow G1 2TA

Dear Paul

**Revised offer of funding for City of Glasgow College NPD model project:
Other project funding**

1. I wrote to you on 29 August 2013 confirming that the Scottish Funding Council ("SFC") had now agreed an award of funding support ("Funding Support") comprising 'Revenue Funding Support' and 'Other Project Funding' for this NPD project (the "Project"). That letter set out the conditions attached to SFC's offer of Funding Support, which the College accepted.
2. I also wrote to you on 29 August 2013, in a separate letter, offering capital grant funding for non-NPD costs. That letter set out the conditions of that grant, which the College accepted. That second letter, which was to be read in conjunction with the first "Funding Support" letter, provided a summary of the total SFC funding provided for the project and set out the following:
 - the amount of Other Project Funding was based on an estimated amount of College reserves, earmarked for the project, being surrendered and transferred to SFC;
 - the final amount would take into account the ongoing exploration by the College and SFC of other potential mechanisms for sheltering reserves, particularly the establishment of a Trust Fund; and
 - should there be a reduction in the amount of College reserves surrendered to SFC (due to the establishment of a Trust Fund), the amount of Other Project Funding from SFC would be reduced accordingly.

3. I have been advised that the College will indeed be setting up an Arm's Length Foundation (ALF) to which earmarked College reserves will be transferred into. This letter therefore constitutes a **revised offer of Other Project Funding of £11,526,228** as set out in the revised Schedule 2 attached.
4. **The Revenue Funding Support set out in my letter of 29 August 2013 (and confirmed in my subsequent letter of 30 August 2013) and agreed by the College, has not changed.**

Revised offer of Other Project Funding

5. SFC shall provide support to the College ("Other Project Funding") in respect of the College's contractual payment obligations (being payable in respect of the College's core functions) for the matters identified in the NPD Contract and the phasing of this support is detailed in the revised Schedule 2 attached to this letter.
6. Other Project Funding shall be paid in instalments in the amounts, and on the dates, shown in Schedule 2 into the account specified in my letter of 29 August 2013, details of which have been provided by the College. The College shall provide to SFC a quarterly report showing payments from that account in accordance with the Project Agreement and explaining any unused balance as at the date of the report.

Conditions of Funding Support

7. The terms and conditions relating to the provision of this Funding Support remain as per my letter of 29 August 2013.

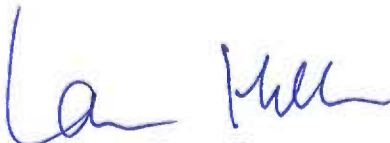
Acceptance of grant

8. The College is invited to formally accept, in writing, the SFC's revised offer of Other Project Funding and to confirm its ability to meet the terms and conditions of the Funding Support, as stated above.

9. Should you have queries or require any further information, please contact:

- Gavin Bruce, Senior Policy/Analysis Officer, Colleges and Post 92 Universities Group (tel: 0131 313 6585, email: gbruce@sfc.ac.uk); or
- Riona Bell, Director of Finance and Corporate Resources (tel: 0131 313 6690, email: rbell@sfc.ac.uk).

Yours sincerely



Laurence Howells
Interim Chief Executive

**Offer of funding for City of Glasgow College NPD model project:
Schedule 2**

Payments from SFC (funds to be cleared in nominated bank account by 16th of each month)

	Month/Year	Amount	
FY 2014-15	Sep-13	£85,200	£85,200
	Apr-14	£0	
	May-14	£0	
	Jun-14	£16,800	
	Jul-14	£0	
	Aug-14	£0	
	Sep-14	£0	
	Oct-14	£0	
	Nov-14	£0	
	Dec-14	£0	
	Jan-15	£0	
	Feb-15	£0	
	Mar-15	£25,200	£42,000
	Apr-15	£0	
	May-15	£0	
FY 2015-16	Jun-15	£68,400	
	Jul-15	£213,600	
	Aug-15	£3,143,418	
	Sep-15	£0	
	Oct-15	£0	
	Nov-15	£0	
	Dec-15	£144,330	
	Jan-16	£0	
	Feb-16	£0	
	Mar-16	£66,000	£3,635,748
	Apr-16	£0	
	May-16	£0	
FY 2016-17	Jun-16	£0	
	Jul-16	£447,600	
	Aug-16	£6,828,384	
	Sep-16	£0	
	Oct-16	£0	
	Nov-16	£243,648	
	Dec-16	£0	
	Jan-17	£0	
	Feb-17	£0	
	Mar-17	£0	£7,519,632
	Apr-17	£0	
	May-17	£0	
FY 2017-18	Jun-17	£0	
	Jul-17	£0	
	Aug-17	£243,648	£243,648
	TOTAL	£11,526,228	